

RECORDATION NO. 22467-C FILED

JUN 02 '08

3-12 PM

SURFACE TRANSPORTATION BOARD



FIRST UNION RAIL

One O'Hare Centre
6250 River Road, Suite 5000
Rosemont, IL 60018

Tel 847.318.7575
Fax 847.318.7588
www.firstunionrail.com

May 29, 2008

Ms. Anne K. Quinlan
Surface Transportation Board
395 E Street, S.W., Suite 100
Washington, DC 20423-0001
Attn: Recordation of Railroad Equipment

Re: Memorandum of Lease Agreement

Dear Ms. Quinlan:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are three (3) originals of a Memorandum of Lease Agreement, dated May 13, 2008, a secondary document as defined in the Board's Rules for the Recordation of Documents. The enclosed document relates to the Lease Agreement which was duly filed with the Commission under Recordation Number 22467.

The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, IL 60018

Lessee: Dakota, Minnesota and Eastern Railroad Corp.
140 N. Phillips Avenue
Sioux Falls, SD 57104

A description of the railroad equipment covered by the enclosed document is eleven (11) Plate "F" box cars, with plug doors with NOKL marks, (see Exhibit A for numbers).

A short summary of the document to appear in the index follows: Memorandum of Lease

Also enclosed is a check in the amount of \$35.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned along with the additional copies.

If you have any questions or concerns regarding the above-referenced matter, please feel free to contact me at (847) 384-5355. Thank you for your cooperation in this matter.

Very truly yours,


Georgia Freiburger
Manager of Documentation

Enclosures

(DME024)

ASSGN. NO.: DME024

JUN 02 '08

3:12 PM

MEMORANDUM OF LEASE

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 13th day of May, 2008, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and DAKOTA, MINNESOTA & EASTERN RAILROAD CORPORATION, ("Lessee"), a Delaware corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of June 23, 1998, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 21 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of May 13, 2008, and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

By: Richard F. SeymourName: RICHARD F. SEYMOUR
Title: VICE PRESIDENT SALES & MARKETING

ATTEST:

By: Janice L. EnolvaName: JANICE L. ENOLVATitle: MANAGER OF DOCUMENTATION Executed on this 13th day of MAY, 2008.

[CORPORATE SEAL]

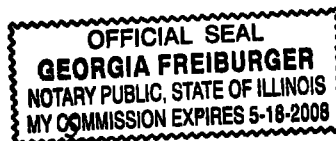
STATE OF ILLINOISCOUNTY OF COOK

I, GEORGIA FREIBURGER, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his/her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 13th day of May, 2008.

Georgia Freiburger
Notary Public

My Commission Expires:

5-18-2008
(Notary Public)

LESSEE:

DAKOTA, MINNESOTA & EASTERN RAILROAD
CORPORATION

ATTEST:

By: [Signature]
Name: L.A. Anderson
Sr. Vice Pres - Marketing
Title: _____

By: JOHN B GABEL
Name: John B. Gabel
Title: APP Envt Serv & Equip mgmt

Executed on this 6th day of May, 2008.

[CORPORATE SEAL]

STATE OF South Dakota

COUNTY OF Minnehaha

I, Linda M. Arter, a Notary Public of the County and State aforesaid,
certify that John B. Gabel personally appeared before me this day and
acknowledged his/her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 6 day of May, 2008.

[Signature]
Notary Public

Commission Expires: 01/09

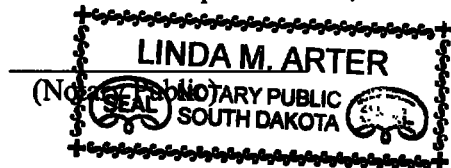


EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS: Eleven (11)

DESCRIPTION OF CARS: 50'6", 286 GRL, plate "F" boxcars with 12' plug doors.

CAR NUMBERS:

NOKL	570356
NOKL	571109
NOKL	571110
NOKL	571117
NOKL	571122
NOKL	571133
NOKL	571141
NOKL	571146
NOKL	571149
NOKL	571179
NOKL	571187